

## **Exhibit 7**

So ordered this 24<sup>th</sup> day of December 2008

**RECEIVED & FILED**

**DEC 24 2008**

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

X

In re:

**HIGHGATE LTC MANAGEMENT LLC,**

Debtor.

X

**STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE  
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON  
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

  
Hon. Robert E. Littlefield, Jr.  
U.S.B.J.

**RECEIVED**

**DEC 23 2008**

BANKRUPTCY JUDGE  
ALBANY, NEW YORK

Chapter 11

Case No. 07-11068-REL

6/11/08  
CJL

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to a prior Stipulation and Order of this Court dated November 19, 2008 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (the "Transition Stipulation"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulation; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read January 31, 2009.

2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the

Budget attached hereto as *Exhibit A*. The Budget may be amended, at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee, and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for January 21, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: December 12, 2008

**MORITT HOCK HAMROFF & HOROWITZ LLP**  
Attorneys for General Electric Capital  
Corporation

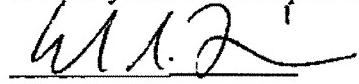
By:

  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
516-873-2000

-and-

**NEUBERT, PEPE & MONTEITH, P.C.**  
Attorneys for the Chapter 11 Trustee

By:

  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
Phone: (203) 821-2000

-and-

**FARRELL FRITZ, P.C.**

Attorneys for the Unsecured Creditors' Committee

By:

Ted A. Berkowitz

Ted A. Berkowitz, Esq.

1320 Reckson Plaza

Uniondale, New York 11556-1320

Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**

Attorneys for the Substitute Receiver

By:

AJB

Abraham J. Backenroth, Esq.

489 Fifth Avenue

New York, New York 10017

Tel: 212-593-1100

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STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER  
AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY  
AND (B) USE CASH COLLATERAL ON A CONSENSUAL  
BASIS AND CERTAIN RELATED DEADLINES

**FARRELL FRITZ, P.C.**  
Attorneys for the Unsecured Creditors' Committee

By:

Ted A. Berkowitz, Esq.  
1320 Reckson Plaza  
Uniondale, New York 11556-1320  
Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**  
Attorneys for the Substitute Receiver

By:

Abraham J. Backenroth, Esq.  
489 Fifth Avenue  
New York, New York 10017  
Tel: 212-593-1100

<b>Highgate LTC Management LLC Projected Cash Flows</b>	<b>w/e Friday</b>	<b>Projected Balance 01/02/09</b>	<b>Projected Balance 01/09/09</b>	<b>Projected Balance 01/16/09</b>	<b>Projected Balance 01/23/09</b>	<b>Projected Balance 01/30/09</b>	<b>Projected January Totals</b>
<b>Beginning Cash Book Balance</b>		<b>(250,843)</b>		<b>(452,821)</b>		<b>(276,257)</b>	
<b>Collections</b>						<b>(67,756)</b>	
General Deposits		75,000	250,000	225,000	160,000	160,000	870,000
Medicaid Deposits		271,833	477,129	445,101	426,000	426,000	2,046,063
Medicare Deposits		35,000	30,000	35,000	210,000	45,000	355,000
<b>Total Collections</b>		<b>381,833</b>	<b>757,129</b>	<b>705,101</b>	<b>795,000</b>	<b>631,000</b>	<b>3,271,063</b>
<b>Cash Available for Disbursements</b>		<b>130,989</b>	<b>304,308</b>	<b>428,844</b>	<b>728,244</b>	<b>500,744</b>	<b>3,020,219</b>
<b>Disbursements</b>				<b>Projected</b>			
General Disbursements		30,000	30,000	30,000	30,000	30,000	150,000
Pharmacy		55,000	-	-	-	-	55,000
Net Payroll		344,445	322,000	322,000	322,000	322,000	1,632,445
Payroll Taxes		149,864	136,000	136,000	136,000	136,000	693,864
40 (k) Funding		4,500	4,500	4,500	4,500	4,500	22,500
Other Employee Benefits		-	-	-	150,000	-	150,000
Worker's Compensation Premiums		-	-	-	46,000	-	46,000
Insurance Premiums		-	7,565	-	65,000	-	72,565
UST Fee		-	-	-	5,000	-	5,000
Receiver Fee		-	-	-	10,000	-	10,000
Bank Line Interest/Bank Fees		-	-	4,100	-	-	4,100
Utilities		-	25,000	-	50,000	-	75,000
Physicians		-	40,000	-	40,000	-	80,000
Loan/Lease		-	15,500	-	-	-	15,500
Real Estate Taxes		-	-	-	-	-	-
Professional/Receiver		-	-	-	-	-	-
Professional/Trustee		-	-	-	-	-	-
Professional/Committee		-	-	-	-	-	-
Prior Professional		-	-	-	-	-	-
Cash receipts assessment		-	-	-	-	-	-
<b>Total Disbursements</b>		<b>583,810</b>	<b>580,565</b>	<b>495,600</b>	<b>858,500</b>	<b>522,500</b>	<b>3,041,975</b>
<b>Ending Cash Balance</b>		<b>(452,821)</b>	<b>(276,257)</b>	<b>(87,756)</b>	<b>(130,256)</b>	<b>(21,756)</b>	<b>(21,756)</b>

Highgate LTC Management LLC Projected Cash Flows		Projected Balance 01/02/09	Projected Balance 01/09/09	Projected Balance 01/16/09	Projected Balance 01/23/09	Projected Balance 01/30/09	January Totals
w/e Friday		(250,843)	(452,821)	(276,257)	(67,756)	(130,256)	(250,843)
<b>Beginning Cash Book Balance</b>							
Collections							
General Deposits	75,000	250,000	225,000	160,000	160,000	870,000	
Medicaid Deposits	271,833	477,129	445,101	426,000	426,000	2,046,063	
Medicare Deposits	35,000	30,000	35,000	210,000	45,000	355,000	
Total Collections	381,833	757,129	705,101	796,000	631,000	3,271,063	
Cash Available for Disbursements	130,989	304,308	428,844	728,244	500,744	3,020,219	
Disbursements							
General Disbursements	30,000	30,000	30,000	30,000	30,000	150,000	
Pharmacy	55,000	-	-	-	-	55,000	
Net Payroll	344,445	322,000	322,000	322,000	322,000	1,632,445	
Payroll Taxes	149,864	136,000	136,000	136,000	136,000	693,864	
401(k) Funding	4,500	4,500	4,500	4,500	4,500	22,500	
Other Employee Benefits	-	-	-	150,000	-	150,000	
Worker's Compensation Premiums	-	-	-	46,000	-	46,000	
Insurance Premiums	-	7,565	-	65,000	-	72,565	
UST Fee	-	-	-	5,000	-	5,000	
Receiver Fee	-	-	-	10,000	-	10,000	
Bank Line Interest/Bank Fees	-	-	4,100	-	-	4,100	
Utilities	-	25,000	-	50,000	-	75,000	
Physicians	-	40,000	-	40,000	-	80,000	
Loan/Lease	-	15,500	-	-	-	15,500	
Real Estate Taxes	-	-	-	-	-	-	
Professional/Receiver	-	-	-	-	-	-	
Professional/Trustee	-	-	-	-	-	-	
Prior Professional	-	-	-	-	-	-	
Cash receipts assessment	-	-	-	-	-	-	
<b>Total Disbursements</b>	583,810	580,565	496,600	858,500	522,500	3,041,975	
Ending Cash Balance	(452,821)	(276,257)	(67,756)	(130,256)	(21,756)	(21,756)	



Moritt Hock  
Hamroff & Horowitz LLP  
ATTORNEYS AT LAW

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Leslie A. Berkoff, Esq.  
Partner  
Email: lberkoff@morithock.com

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DEC 23 2008  
BANKRUPTCY JUDGE  
ALBANY, NEW YORK

December 22, 2008

**VIA FEDERAL EXPRESS**

Susan Skinner  
U.S. Bankruptcy Court  
Northern District of New York  
James T. Foley U.S. Courthouse  
445 Broadway, Suite 315  
Albany, NY 12207

**Re:     Highgate LTC Management, LLC (collectively the "Debtors")  
Case No. 07-11068**

Dear Ms. Skinner:

Enclosed herewith please find an executed Stipulation and Order Modifying And Extending The Terms of the Final Order Authorizing the Debtors To: (A) Borrow Money and (B) Use Cash Collateral On A Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that His Honor So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

**RECEIVED & FILED**

DEC 24 2008

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY  
LAB:gnl  
Encl.

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Very truly yours,

Handwritten signature of Leslie Berkoff.

LESLIE BERKOFF

RECEIVED  
JAN 21 2009  
OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

So ordered this 20 day of January 2009

Hon. Robert E. Littlefield, Jr.  
U.S.B.J.

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

In re:

**HIGHGATE LTC MANAGEMENT LLC,**

X Chapter 11

Case No. 07-11068-REL

Debtor.

RECEIVED & FILED

STIPULATION AND ORDER MODIFYING AND  
JAN 22 2009 EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE  
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON  
OFFICE OF THE BANKRUPTCY CLERK CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES  
ALBANY, NY

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the  
Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2),  
364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual  
Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361,  
and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the  
"Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully  
defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver,  
signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to two prior Stipulations and Order of this Court dated November 19, 2008 and December 24, 2008 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read February 28, 2009.

2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee, and the Unsecured Creditors Committee.

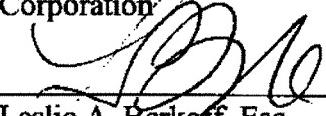
4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for February 25, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: January \_\_\_, 2009

**MORITT HOCK HAMROFF & HOROWITZ LLP**  
Attorneys for General Electric Capital  
Corporation

By:

  
\_\_\_\_\_  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
516-873-2000

-and-

**NEUBERT, PEPE & MONTEITH, P.C.**  
Attorneys for the Chapter 11 Trustee

By:

\_\_\_\_\_  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
Phone: (203) 821-2000

-and-

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee, and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for February 25, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: January 19, 2009

**MORITT HOCK HAMROFF & HOROWITZ LLP**  
Attorneys for General Electric Capital  
Corporation

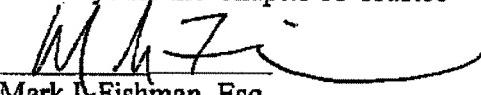
By:

\_\_\_\_\_  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
516-873-2000

-and-

**NEUBERT, PEPE & MONTEITH, P.C.**  
Attorneys for the Chapter 11 Trustee

By:

  
\_\_\_\_\_  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
Phone: (203) 821-2000

-and-

**FARRELL FRITZ, P.C.**

Attorneys for the Unsecured Creditors' Committee

By:

  
Ted A. Berkowitz, Esq.

1320 Reckson Plaza

Uniondale, New York 11556-1320

Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**

Attorneys for the Substitute Receiver

By:

  
Abraham J. Backenroth, Esq.

489 Fifth Avenue

New York, New York 10017

Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)  
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

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<b>Highgate LTC Management LLC Projected Cash Flows</b>	<b>Projected Balance w/e Friday</b>	<b>Projected Balance 02/06/09</b>	<b>Projected Balance 02/13/09</b>	<b>Projected Balance 02/20/09</b>	<b>Projected Balance 02/27/09</b>	<b>Projected Balance</b>	<b>February Totals</b>
<b>Beginning Cash Book Balance</b>		(245,249)	(223,475)	(90,519)	124,023	-	(245,249)
<b>Collections</b>							
General Deposits		75,000	250,000	225,000	160,000	-	710,000
Medicaid Deposits		418,435	450,000	455,000	430,000	-	1,753,435
Medicare Deposits		35,000	30,000	35,000	210,000	-	310,000
<b>Total Collections</b>		528,435	730,000	715,000	800,000	-	2,773,435
<b>Cash Available for Disbursements</b>		283,186	506,525	624,481	924,023	-	2,528,186
<b>Disbursements</b>					<b>Projected</b>		
General Disbursements		45,000	55,000	35,000	60,000	-	195,000
Pharmacy		-	-	-	-	-	-
Net Payroll		315,000	315,000	315,000	315,000	-	1,260,000
Payroll Taxes		142,000	142,000	142,000	142,000	-	568,000
401(k) Funding		4,661	4,544	4,359	4,500	-	18,063
Other Employee Benefits		-	-	-	150,000	-	150,000
Worker's Compensation Premiums		-	-	-	46,000	-	46,000
Insurance Premiums		-	-	-	65,000	-	65,000
UST Fee		-	-	-	5,000	-	5,000
Receiver Fee		-	-	-	10,000	-	10,000
Bank Line Interest/Bank Fees		-	-	4,100	-	-	4,100
Utilities		-	25,000	-	50,000	-	75,000
Physicians		-	40,000	-	40,000	-	80,000
Loan/Lease		-	15,500	-	-	-	15,500
Real Estate Taxes		-	-	-	-	-	-
Professional/Receiver		-	-	-	-	-	-
Professional/Trustee		-	-	-	15,000	-	15,000
Professional/Committee		-	-	-	15,000	-	15,000
Prior Professional		-	-	-	-	-	-
Cash receipts assessment		-	-	-	20,000	-	20,000
<b>Total Disbursements</b>		506,661	597,044	500,459	937,500	-	2,541,663
<b>Ending Cash Balance</b>		(223,475)	(90,519)	124,023	(13,477)	-	(13,477)

<b>Highgate LTC Management LLC Projected Cash Flows</b>	<b>Projected Balance w/e Friday</b>	<b>Projected Balance 01/02/09</b>	<b>Projected Balance 01/09/09</b>	<b>Projected Balance 01/16/09</b>	<b>Projected Balance 01/23/09</b>	<b>Projected Balance 01/30/09</b>	<b>January Totals</b>
<b>Beginning Cash Book Balance</b>		(250,843)	(417,624)	(293,874)	(134,060)	(187,527)	(250,843)
<b>Collections</b>							
General Deposits		75,000	250,000	225,000	160,000	160,000	870,000
Medicaid Deposits		271,833	477,129	471,877	435,033	259,778	1,915,649
Medicare Deposits		35,000	30,000	35,000	210,000	45,000	355,000
<b>Total Collections</b>		381,833	757,129	731,877	805,033	464,778	3,140,649
<b>Cash Available for Disbursements</b>		130,989	339,505	438,002	670,973	277,251	2,889,806
<b>Disbursements</b>					<b>Projected</b>		
General Disbursements		30,000	30,000	30,000	30,000	30,000	150,000
Pharmacy		19,000	-	-	-	-	19,000
Net Payroll		337,795	346,716	309,793	322,000	322,000	1,638,305
Payroll Taxes		157,157	164,054	146,530	136,000	136,000	739,742
401(k) Funding		4,661	4,544	4,359	4,500	4,500	22,563
Other Employee Benefits		-	-	-	150,000	-	150,000
Worker's Compensation Premiums		-	-	-	46,000	-	46,000
Insurance Premiums		-	7,565	-	65,000	-	72,565
UST Fee		-	-	-	5,000	-	5,000
Receiver Fee		-	-	-	10,000	-	10,000
Bank Line Interest/Bank Fees		-	-	4,100	-	-	4,100
Utilities		-	25,000	-	50,000	-	75,000
Physicians		-	40,000	-	40,000	-	80,000
Loan/Lease		-	15,500	-	-	-	15,500
Real Estate Taxes		-	-	-	-	-	-
Professional/Receiver		-	-	-	-	-	-
Professional/Trustee		-	-	-	-	15,000	15,000
Professional/Committee		-	-	-	-	15,000	15,000
Prior Professional		-	-	-	-	-	-
Cash receipts assessment		-	-	77,280	-	-	77,280
<b>Total Disbursements</b>		548,613	633,379	572,062	858,500	522,500	3,135,055
<b>Ending Cash Balance</b>		(417,624)	(293,874)	(134,060)	(187,527)	(245,249)	(245,249)

<b>Highgate LTC Management LLC Projected Cash Flows</b>	<b>Projected Balance w/e Friday</b>	<b>Projected Balance 12/05/08</b>	<b>Projected Balance 12/12/08</b>	<b>Projected Balance 12/19/08</b>	<b>Projected Balance 12/26/08</b>	<b>Projected Balance</b>	<b>December Totals</b>
<b>Beginning Cash Book Balance</b>		(133,620)	(308,405)	(283,885)	(159,757)	(210,843)	(133,620)
<b>Collections</b>							
General Deposits	75,000	250,000	225,000	160,000			710,000
Medicaid Deposits	329,046	403,997	445,101	413,130			1,591,273
Medicare Deposits	25,000	25,000	25,000	299,783			374,783
<b>Total Collections</b>	<b>429,046</b>	<b>678,997</b>	<b>695,101</b>	<b>872,913</b>			<b>2,676,056</b>
<b>Cash Available for Disbursements</b>	<b>295,426</b>	<b>370,592</b>	<b>411,216</b>	<b>713,157</b>	<b>(210,843)</b>	<b>2,542,437</b>	
<b>Disbursements</b>					<b>Projected</b>		
General Disbursements	50,000	50,000	50,000	50,000			200,000
Pharmacy	55,000	55,000	55,000	55,000			220,000
Net Payroll	344,445	321,789	321,575	322,000			1,309,809
Payroll Taxes	149,864	135,538	135,914	136,000			557,316
401(k) Funding	4,521	4,085	4,084	5,000			17,690
Other Employee Benefits	-	-	-	150,000			150,000
Worker's Compensation Premiums	-	-	-	46,000			46,000
Insurance Premiums	-	7,565	-	65,000			72,565
UST Fee	-	-	-	5,000			5,000
Receiver Fee	-	-	-	-	10,000		10,000
Bank Line Interest/Bank Fees	-	-	4,400	-			4,400
Utilities	-	25,000	-	50,000			75,000
Physicians	-	40,000	-	40,000			80,000
Loan/Lease	-	15,500	-	-			15,500
Real Estate Taxes	-	-	-	-			-
Professional/Receiver	-	-	-	-			-
Professional/Trustee	-	-	-	-	15,000		15,000
Professional/Committee	-	-	-	-	15,000		15,000
Prior Professional	-	-	-	-	-		-
Cash receipts assessment	-	-	-	-	-		-
<b>Total Disbursements</b>	<b>603,831</b>	<b>654,477</b>	<b>570,973</b>	<b>924,000</b>	<b>40,000</b>	<b>2,793,280</b>	
<b>Ending Cash Balance</b>		(308,405)	(283,885)	(159,757)	(210,843)	(250,843)	(250,843)



Moritt Hock  
Hamroff & Horowitz LLP  
ATTORNEYS AT LAW

RUSHED

RECEIVED

Leslie A. Berkoff, Esq.  
Partner  
Email: lberkoff@morithock.com

JAN 21 2009  
OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

January 20, 2009

**VIA FEDERAL EXPRESS**

Susan Skinner  
U.S. Bankruptcy Court  
Northern District of New York  
James T. Foley U.S. Courthouse  
445 Broadway, Suite 315  
Albany, NY 12207

**Re:     Highgate LTC Management, LLC (collectively the "Debtors")  
Case No. 07-11068**

Dear Ms. Skinner:

Enclosed herewith please find an executed Stipulation and Order Modifying And Extending The Terms of the Final Order Authorizing the Debtors To: (A) Borrow Money and (B) Use Cash Collateral On A Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that His Honor So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

**RECEIVED & FILED**

**JAN 22 2009**

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY  
LAB:ghl  
Encl.

Very truly yours,

LESLIE BERKOFF

R:\GECC\Highgate\Bankruptcy\Corres\Court Transition CC Stip 3.Doc

**RECEIVED**

FEB 27 2009

OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

So ordered this 2 day of February 2009

MAR - 2 2009

Hon. Robert E. Littlefield, Jr.  
Chief, U.S.B.J.

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK**

-----X

In re:

**HIGHGATE LTC MANAGEMENT LLC,**

Debtor.

Chapter 11

Case No. 07-11068-REL

MAR 2 2009

**RECEIVED & FILED**  
OFFICE OF THE BANKRUPTCY  
ALBANY, NY

**STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE  
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON  
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to three prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008 and January 22, 2009, the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read April 29, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

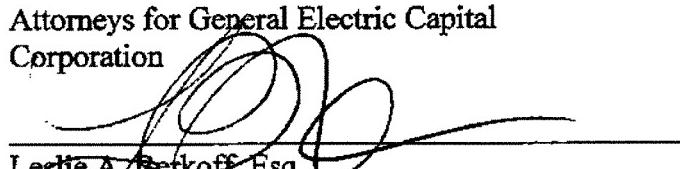
4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for ~~April 2<sup>nd</sup>~~ 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: February   , 2009

**MORITT HOCK HAMROFF & HOROWITZ LLP**  
Attorneys for General Electric Capital  
Corporation

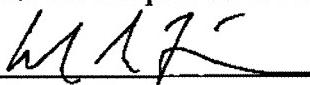
By:

  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
516-873-2000

-and-

**NEUBERT, PEPE & MONTEITH, P.C.**  
Attorneys for the Chapter 11 Trustee

By:

  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
Phone: (203) 821-2000

-and-

**FARRELL FRITZ, P.C.**

Attorneys for the Unsecured Creditors' Committee

By:

Ted A. Berkowitz, Esq.  
1320 Reckson Plaza  
Uniondale, New York 11556-1320  
Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**

Attorneys for the Substitute Receiver

By:

Abraham J. Backenroth, Esq.  
489 Fifth Avenue  
New York, New York 10017  
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)  
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

Highgate LTC Management LLC	Projected Cash Flows	w/e Friday	Projected Balance				
	03/06/08	03/13/08	03/13/08	03/20/08	03/27/08	03/27/08	March Totals
<b>Beginning Cash Book Balance</b>	43,500	849	849	(92,747)	(216,423)	(216,423)	43,500
<b>Collections</b>							
General Deposits	232,033	260,339	188,000	192,000	872,372		
Medicaid Deposits	280,852	385,312	435,000	421,000	1,522,164		
Medicare Deposits	-	-	-	410,000	410,000		
<b>Total Collections</b>	512,885	645,651	623,000	1,023,000	2,804,536		
<b>Cash Available for Disbursements</b>	556,385	646,500	530,253	806,577	2,848,036		
<b>Disbursements</b>							
General Disbursements	75,000	121,000	75,000	50,000	321,000		
Pharmacy	-	-	126,381	-	126,381		
Net Payroll	309,396	309,396	309,396	309,396	1,237,584		
Payroll Taxes	141,558	141,558	141,558	141,558	566,232		
401(k) Funding	4,582	4,293	4,339	4,355	17,569		
Other Employee Benefits	-	-	-	148,000	148,000		
Worker's Compensation Premiums	-	-	-	63,495	63,495		
Insurance Premiums	-	-	-	35,260	35,260		
UST Fee	-	-	-	10,400	10,400		
Receiver Fee	-	-	-	-	-		
Bank Line Interest/Bank Fees	-	-	-	-	-		
Utilities	25,000	-	49,850	-	74,850		
Physicians	-	25,000	-	50,000	75,000		
Loan/Lease	-	-	4,893	-	4,893		
Real Estate Taxes	-	-	-	-	-		
Professional/Receiver	-	-	-	-	-		
Professional/Trustee	-	-	-	-	-		
Professional/Committee	-	-	-	-	-		
Prior Professional	-	-	-	-	-		
Cash receipts assessment	-	138,000	-	-	138,000		
<b>Total Disbursements</b>	555,536	739,247	746,676	807,205	2,848,664		
<b>Ending Cash Balance</b>	849	(92,747)	(216,423)	(628)	(628)		
<b>Monthly Net Cash</b>	(42,651)	(93,596)	(123,676)	215,795	(44,128)		

**Highgate LTC Management LLC**  
**Projected Cash Flows**

	Projected Balance 04/03/08	Projected Balance 04/10/08	Projected Balance 04/17/08	Projected Balance 04/24/08	Projected Balance April Totals
<b>Beginning Cash Book Balance</b>	(24,128)	(35,164)	(118,411)	(239,237)	(24,128)
<b>Collections</b>					

General Deposits	252,000	273,000	188,000	192,000	905,000
Medicaid Deposits	293,000	391,000	438,000	425,000	1,547,000
Medicare Deposits	-	-	-	390,000	390,000
<b>Total Collections</b>	<b>545,000</b>	<b>664,000</b>	<b>626,000</b>	<b>1,007,000</b>	<b>2,842,000</b>

**Cash Available for Disbursements**

**Disbursements**

General Disbursements	75,500	126,000	78,000	55,000	334,500
Pharmacy	-	-	131,381	-	131,381
Net Payroll	309,396	309,396	309,396	309,396	1,237,584
Payroll Taxes	141,558	141,558	141,558	141,558	566,232
401(k) Funding	4,582	4,293	4,339	4,355	17,569
Other Employee Benefits	-	-	-	148,000	148,000
Worker's Compensation Premiums	-	-	-	63,495	63,495
Insurance Premiums	-	-	35,260	-	35,260
UST Fee	-	-	-	10,400	10,400
Receiver Fee	-	-	-	-	-
Bank Line Interest/Bank Fees	-	-	-	-	-
Utilities	25,000	-	42,000	-	67,000
Physicians	-	25,000	-	50,000	75,000
Loan/Lease	-	-	4,893	-	4,893
Real Estate Taxes	-	-	-	-	-
Professional/Receiver	-	-	-	-	-
Professional/Trustee	-	-	-	15,000	15,000
Professional/Committee	-	-	-	15,000	15,000
Prior Professional	-	-	-	-	-
Cash receipts assessment	-	141,000	-	-	141,000
<b>Total Disbursements</b>	<b>556,036</b>	<b>747,247</b>	<b>746,826</b>	<b>812,205</b>	<b>2,862,314</b>
<b>Ending Cash Balance</b>	(35,164)	(118,411)	(239,237)	(44,442)	(44,442)
<b>Monthly Net Cash</b>	(11,036)	(83,247)	(120,826)	194,795	(20,314)



Moritt Hock  
Hamroff & Horowitz LLP  
ATTORNEYS AT LAW

**RECEIVED**

FEB 27 2009

OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

Leslie A. Berkoff, Esq.  
Partner  
Admitted in NY & CT  
Email: lberkoff@morithock.com

**RUSH**

February 26, 2009

**VIA OVERNIGHT MAIL**

Susan Skinner  
U.S. Bankruptcy Court  
Northern District of New York  
James T. Foley U.S. Courthouse  
445 Broadway, Suite 315  
Albany, NY 12207

Re: **Highgate LTC Management, LLC**  
**Case No. 07-11068**

**RECEIVED & FILED**

Dear Ms. Skinner:

MAR 2 2009

Enclosed herewith please find an original executed Stipulation and Order <sup>OFFICE OF THE BANKRUPTCY CLERK</sup>  
ALBANY, NY  
Modifying and Extending the Terms of the Final Order Authorizing the Estate to: (A) Borrow  
Money and (B) Use Cash Collateral on a Consensual Basis in connection with the above-  
referenced matter.

We would ask that you present the Stipulation to His Honor so that he may So Order the  
Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you  
for your courtesies in this matter.

Very truly yours,

LESLIE ANN BERKOFF

LAB:dm  
Encl.

So ordered this 24 day of April, 2009



Hon. Robert E. Littlefield, Jr.  
Chief, U.S.B.J.

**RECEIVED**

APR 29 2009

OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK**

X

Chapter 11

In re:

**HIGHGATE LTC MANAGEMENT LLC,**

Case No. 07-11068-REL

Debtor.

X

**STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE  
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON  
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, 

APR 29 2009

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to four prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009 and March 2, 2009, the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors, and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read July 1, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

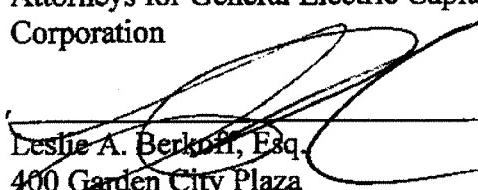
4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for July 1, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: April 27, 2009

**MORITT HOCK HAMROFF & HOROWITZ LLP**  
Attorneys for General Electric Capital  
Corporation

By:

  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
516-873-2000

-and-

**NEUBERT, PEPE & MONTEITH, P.C.**  
Attorneys for the Chapter 11 Trustee

By:

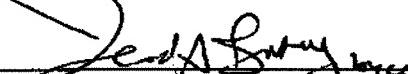
  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
Phone: (203) 821-2000

-and-

**FARRELL FRITZ, P.C.**

Attorneys for the Unsecured Creditors' Committee

By:

  
\_\_\_\_\_  
Ted A. Berkowitz, Esq.

1320 Reckson Plaza  
Uniondale, New York 11556-1320  
Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**

Attorneys for the Substitute Receiver

By:

\_\_\_\_\_  
Abraham J. Backenroth, Esq.  
489 Fifth Avenue  
New York, New York 10017  
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)  
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

-and-

**FARRELL FRITZ, P.C.**

Attorneys for the Unsecured Creditors' Committee

By:

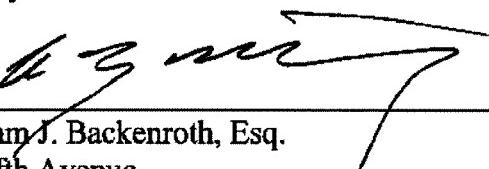
Ted A. Berkowitz, Esq.  
1320 Reckson Plaza  
Uniondale, New York 11556-1320  
Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**

Attorneys for the Substitute Receiver

By:

  
Abraham J. Backenroth, Esq.  
489 Fifth Avenue  
New York, New York 10017  
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)  
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

Highgate LTC Management LLC		Projected Balance				
Projected Cash Flows		05/01/09	05/08/09	05/15/09	05/22/09	05/29/09
Beginning Cash Book Balance		(314)	138,705	20,912	(221,418)	(36,769)
<b>Collections</b>						(314)
General Deposits	280,000	258,000	190,000	182,000	138,000	1,048,000
Medicaid Deposits	445,601	391,000	438,000	425,000	458,000	2,157,601
Medicare Deposits	-	-	-	410,000	-	410,000
<b>Total Collections</b>	<b>725,601</b>	<b>649,000</b>	<b>628,000</b>	<b>1,017,000</b>	<b>596,000</b>	<b>3,615,601</b>
<b>Cash Available for Disbursements</b>		<b>725,287</b>	<b>787,705</b>	<b>648,912</b>	<b>795,582</b>	<b>559,231</b>
<b>Disbursements</b>						
General Disbursements	100,500	161,000	113,000	90,000	92,000	556,500
Pharmacy	-	-	192,944	-	-	192,944
Net Payroll	325,000	325,000	325,000	325,000	325,000	1,625,000
Payroll Taxes	131,500	131,500	131,500	131,500	131,500	657,500
401(k) Funding	4,582	4,293	4,339	4,355	4,400	21,969
Other Employee Benefits	-	-	-	148,000	-	148,000
Worker's Compensation Premiums	-	-	-	63,495	-	63,495
Insurance Premiums	-	-	-	35,260	-	35,260
UST Fee	-	-	-	-	5,000	5,000
Receiver Fee	-	-	-	-	-	-
Bank Line Interest/Bank Fees	-	-	-	-	-	-
Utilities	25,000	-	63,396	-	-	88,396
Physicians	-	25,000	-	35,000	-	60,000
Loan/Lease	-	-	4,893	-	-	4,893
Real Estate Taxes	-	-	-	-	-	-
Professional/Receiver	-	-	-	-	-	-
Professional/Trustee	-	-	-	-	-	-
Professional/Committee	-	-	-	-	-	-
Prior Professional	-	-	-	-	-	-
Cash receipts assessment	-	120,000	-	-	-	120,000
<b>Total Disbursements</b>	<b>586,582</b>	<b>766,793</b>	<b>870,331</b>	<b>832,351</b>	<b>552,900</b>	<b>3,608,957</b>
<b>Ending Cash Balance</b>	<b>138,705</b>	<b>20,912</b>	<b>(221,418)</b>	<b>(36,769)</b>	<b>6,331</b>	<b>(92,239)</b>
<b>Monthly Net Cash</b>	<b>139,019</b>	<b>(117,793)</b>	<b>(242,331)</b>	<b>184,649</b>	<b>43,100</b>	<b>6,645</b>

Highgate LTC Management LLC Projected Cash Flows	w/e Friday	Projected Balance 06/05/09	Projected Balance 06/12/09	Projected Balance 06/19/09	Projected Balance 06/26/09	Projected Balance June Totals
<b>Beginning Cash Book Balance</b>		<b>16,245</b>	<b>99,764</b>	<b>(11,029)</b>	<b>(201,043)</b>	<b>16,245</b>
<b>Collections</b>						
General Deposits	282,000	267,000	192,000	198,000	939,000	
Medicaid Deposits	445,601	391,000	438,000	425,000	1,699,601	
Medicare Deposits	-	-	-	412,000	412,000	
<b>Total Collections</b>	<b>727,601</b>	<b>658,000</b>	<b>630,000</b>	<b>1,035,000</b>	<b>3,050,601</b>	
<b>Cash Available for Disbursements</b>						
<b>Disbursements</b>						
General Disbursements	102,500	153,000	101,000	82,000	438,500	
Pharmacy	-	-	150,627	-	150,627	
Net Payroll	348,000	325,000	325,000	325,000	1,323,000	
Payroll Taxes	164,000	131,500	131,500	131,500	558,500	
401(k) Funding	4,582	4,293	4,339	4,355	17,569	
Other Employee Benefits	-	-	-	148,000	148,000	
Worker's Compensation Premiums	-	-	-	63,495	63,495	
Insurance Premiums	-	-	35,260	-	35,260	
UST Fee	-	-	-	5,000	5,000	
Receiver Fee	-	-	-	-	-	
Bank Line Interest/Bank Fees	-	-	-	-	-	
Utilities	25,000	-	67,396	-	92,396	
Physicians	-	25,000	-	35,000	60,000	
Loan/Lease	-	-	4,893	-	4,893	
Real Estate Taxes	-	-	-	-	-	
Professional/Receiver	-	-	-	-	-	
Professional/Trustee	-	-	-	-	-	
Professional/Committee	-	-	-	-	-	
Prior Professional	-	-	-	-	-	
Cash receipts assessment	-	130,000	-	-	130,000	
<b>Total Disbursements</b>	<b>644,082</b>	<b>768,793</b>	<b>820,014</b>	<b>824,351</b>	<b>3,057,240</b>	
<b>Ending Cash Balance</b>		<b>99,764</b>	<b>(11,029)</b>	<b>(201,043)</b>	<b>9,607</b>	<b>(102,700)</b>
<b>Monthly Net Cash</b>		<b>83.519</b>	<b>(110.793)</b>	<b>(190.014)</b>	<b>210.649</b>	<b>(6,638)</b>



Moritt Hock  
Hamroff & Horowitz LLP  
ATTORNEYS AT LAW

**RECEIVED**

APR 29 2009

OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

Leslie A. Berkoff, Esq.  
Partner  
Admitted in NY & CT  
Email: lberkoff@morithock.com

**RUSH**

**RECEIVED**

APR 29 2009

OFFICE OF THE BANKRUPTCY JUDGE April 28, 2009

**VIA OVERNIGHT MAIL**

Susan Skinner  
U.S. Bankruptcy Court  
Northern District of New York  
James T. Foley U.S. Courthouse  
445 Broadway, Suite 315  
Albany, NY 12207

Re: **Highgate LTC Management, LLC**  
**Case No. 07-11068**

Dear Ms. Skinner:

Enclosed herewith please find an original executed Stipulation and Order Further Modifying and Extending the Terms of the Final Order Authorizing the Estate to: (A) Borrow Money and (B) Use Cash Collateral on a Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that you present the Stipulation to His Honor so that he may So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

**RECEIVED & FILED**

APR 29 2009

LAB:cn  
Encl.

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY

Very truly yours,

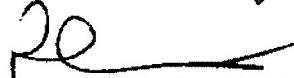
LESLIE ANN BERKOFF

**RECEIVED & FILED**

JUN 24 2009

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY

So ordered this 24 day of June 2009



Hon. Robert E. Littlefield, Jr.  
Chief, U.S.B.J.

**RECEIVED**

JUN 24 2009

OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

Chapter 11

In re:

**HIGHGATE LTC MANAGEMENT LLC,**

Case No. 07-11068-REL

Debtor.

X

**STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE  
DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON  
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; and (B) Use Cash Collateral on a Consensual Basis and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County,

dated November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to four prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009, March 2, 2009, and April 29, 2009 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read September 9, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

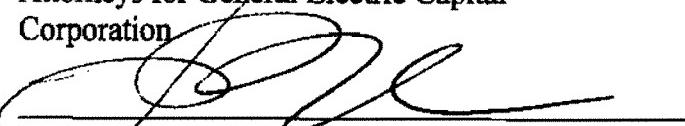
4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for September 9, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: June 23, 2009

**MORITT HOCK HAMROFF & HOROWITZ LLP**  
Attorneys for General Electric Capital  
Corporation

By:

  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
516-873-2000

-and-

**NEUBERT, PEPE & MONTEITH, P.C.**  
Attorneys for the Chapter 11 Trustee

By:

  
Mark J. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
Phone: (203) 821-2000

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for September 9, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: June 19, 2009

**MORITT HOCK HAMROFF & HOROWITZ LLP**  
Attorneys for General Electric Capital  
Corporation

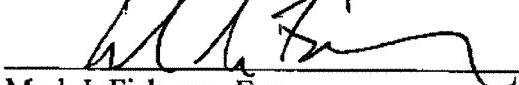
By:

Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
516-873-2000

-and-

**NEUBERT, PEPE & MONTEITH, P.C.**  
Attorneys for the Chapter 11 Trustee

By:

  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
Phone: (203) 821-2000

-and-

**FARRELL FRITZ, P.C.**

Attorneys for the Unsecured Creditors' Committee

By:

 Ted A. Berkowitz, Esq.

1320 Reckson Plaza

Uniondale, New York 11556-1320

Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**

Attorneys for the Substitute Receiver

By:

 Abraham J. Backenroth, Esq.

489 Fifth Avenue

New York, New York 10017

Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)  
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

-and-

**FARRELL FRITZ, P.C.**  
Attorneys for the Unsecured Creditors' Committee

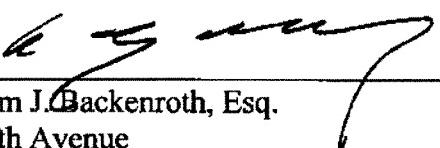
By:

Ted A. Berkowitz, Esq.  
1320 Reckson Plaza  
Uniondale, New York 11556-1320  
Tel: 516-227-0647

-and-

**BACKENROTH, FRANKEL & KRINSKY, LLP**  
Attorneys for the Substitute Receiver

By:

  
Abraham J. Backenroth, Esq.  
489 Fifth Avenue  
New York, New York 10017  
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND  
EXTENDING THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B)  
USE CASH COLLATERAL ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

Highgate LTC Management LLC		Projected Balance				
Projected Cash Flows		w/e Friday	07/03/09	07/10/09	07/17/09	07/24/09
Beginning Cash Book Balance		16,245	(33,868)	(170,410)	(202,002)	(35,752)
Collections						
General Deposits	301,000	284,000	272,000	223,000	215,000	1,295,000
Medicaid Deposits	229,969	412,751	500,000	400,000	400,000	1,942,720
Medicare Deposits	-	-	-	385,000	-	385,000
Total Collections	530,969	696,751	772,000	1,008,000	615,000	3,622,720
Cash Available for Disbursements	547,214	662,883	601,590	805,999	579,248	3,638,965
Disbursements						
General Disbursements	105,000	163,000	111,100	100,000	106,000	585,100
Pharmacy	-	-	145,000	-	-	145,000
Net Payroll	320,000	361,000	319,000	320,000	320,000	1,640,000
Payroll Taxes	126,500	150,000	126,000	126,500	126,500	655,500
401(k) Funding	4,582	4,293	4,339	4,355	-	17,569
Other Employee Benefits	-	-	-	148,000	-	148,000
Worker's Compensation Premiums	-	-	-	63,495	-	63,495
Insurance Premiums	-	-	-	35,260	-	35,260
UST Fee	-	-	-	-	10,400	10,400
Receiver Fee	-	-	-	-	-	-
Bank Line Interest/Bank Fees	-	-	-	-	4,000	4,000
Utilities	25,000	-	25,000	58,000	-	83,000
Physicians	-	-	-	-	35,000	60,000
Loan/Lease	-	-	-	4,893	-	4,893
NY Sales Taxes	-	-	-	-	-	-
Real Estate Taxes	-	-	-	-	-	-
Professional/Receiver	-	-	-	-	-	-
Professional/Trustee	-	-	-	-	15,000	15,000
Professional/Committee	-	-	-	-	15,000	15,000
Prior Professional	-	-	-	-	-	-
Cash receipts assessment	-	130,000	-	-	-	130,000
Total Disbursements	581,082	833,293	803,591	841,751	552,500	3,612,217
Ending Cash Balance	(33,868)	(170,410)	(202,002)	(35,752)	26,748	26,748
Monthly Net Cash	(50,113)	(136,542)	(31,591)	166,249	62,500	10,503

Highgate LTC Management LLC Projected Cash Flows		Projected Balance 08/07/09	Projected Balance 08/14/09	Projected Balance 08/21/09	Projected Balance 08/28/09	Projected Balance 9/4/2009	Projected Aug Totals
<b>Beginning Cash Book Balance</b>		<b>26,748</b>	<b>(28,365)</b>	<b>(166,907)</b>	<b>(207,399)</b>	<b>(36,149)</b>	<b>26,748</b>
<b>Collections</b>							
General Deposits	301,000	284,000	272,000	223,000	300,000	1,380,000	
Medicaid Deposits	229,969	412,751	500,000	400,000	235,000	1,777,720	
Medicare Deposits	-	-	-	390,000		390,000	
<b>Total Collections</b>	<b>530,969</b>	<b>696,751</b>	<b>772,000</b>	<b>1,013,000</b>	<b>535,000</b>	<b>3,547,720</b>	
<b>Cash Available for Disbursements</b>	<b>557,717</b>	<b>668,386</b>	<b>605,093</b>	<b>805,602</b>	<b>498,851</b>	<b>3,574,468</b>	
<b>Disbursements</b>							
General Disbursements	110,000	163,000	130,000	100,000	105,000	608,000	
Pharmacy	-	-	135,000	-	-	135,000	
Net Payroll	320,000	361,000	319,000	320,000	320,000	1,640,000	
Payroll Taxes	126,500	150,000	126,000	126,500	126,500	655,500	
401(K) Funding	4,582	4,293	4,339	4,355	4,355	21,924	
Other Employee Benefits	-	-	-	148,000	-	148,000	
Worker's Compensation Premiums	-	-	-	63,495	-	63,495	
Insurance Premiums	-	-	-	35,260	-	35,260	
UST Fee	-	-	-	-	10,400	-	10,400
Receiver Fee	-	-	-	-	-	-	-
Bank Line Interest/Bank Fees	-	-	-	-	4,000	-	4,000
Utilities	25,000	-	58,000	-	-	83,000	
Physicians	-	25,000	-	-	35,000	-	60,000
Loan/Lease	-	-	4,893	-	-	-	4,893
NY Sales Taxes	-	-	-	-	-	-	-
Real Estate Taxes	-	-	-	-	-	-	-
Professional/Receiver	-	-	-	-	-	-	-

<b>Professional/Trustee</b>	-	-	-	15,000	15,000
<b>Professional/Committee</b>	-	-	-	15,000	15,000
<b>Prior Professional</b>	-	-	-	-	-
<b>Cash receipts assessment</b>	-	132,000	-	-	132,000
<b>Total Disbursements</b>	<b>586,082</b>	<b>835,293</b>	<b>812,491</b>	<b>841,751</b>	<b>555,855</b>
<b>Ending Cash Balance</b>	(28,365)	(166,907)	(207,399)	(36,149)	(57,004)
<b>Monthly Net Cash</b>	(55,113)	(138,542)	(40,491)	171,249	(20,855)
					(83,752)



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**JUN 24 2009**

**OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY**

Leslie A. Berkoff, Esq.  
Partner  
Admitted in NY & CT  
Email: lberkoff@morithock.com

June 23, 2009

**VIA FEDERAL EXPRESS**

Susan Skinner  
U.S. Bankruptcy Court  
Northern District of New York  
James T. Foley U.S. Courthouse  
445 Broadway, Suite 315  
Albany, NY 12207

**Re: Highgate LTC Management, LLC  
Case No. 07-11068  
Hearing Date: July 1, 2009**

Dear Ms. Skinner:

Enclosed herewith please find an original executed Stipulation and Order Further Modifying and Extending the Terms of the Final Order Authorizing the Estate to: (A) Borrow Money and (B) Use Cash Collateral on a Consensual Basis and Certain Related Deadlines in connection with the above-referenced matter.

We would ask that you present the Stipulation to His Honor so that he may So Order the Stipulation and have the same docketed by a member of his staff.

If you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesies in this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "LESLIE ANN BERKOFF". Above the signature, the text "Very truly yours," is written in a cursive script.

LAB:cn  
Encl.

So ordered this 4<sup>th</sup> day of September 2009

**RECEIVED**

SEP 4 - 2009

OFFICE OF THE BANKRUPTCY JUDGE  
ALBANY, NY

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

*[Signature]*

Hon. Robert E. Littlefield, Jr.  
Chief, U.S.B.J.

**RECEIVED & FILED**

SEP 8 2009

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY

X

In re:

HIGHGATE LTC MANAGEMENT, LLC *et al.*

Chapter 11

Case No. 07-11068

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CLERK OF THE  
BANKRUPTCY COURT  
ALBANY, NY  
2009 SEP -4 AM 9:18

Debtors.

X

**STIPULATION AND ORDER MODIFYING AND EXTENDING  
THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS  
TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON  
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; (B) Use Cash Collateral on a Consensual Basis; and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County, dated

RECEIVED

November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to six prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009, March 2, 2009, April 29, 2009 and June 24, 2009 the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read November 30, 2009.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for November 18, 2009 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: Garden City, New York  
September 1, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP  
Attorneys for General Electric Capital Corporation

By: \_\_\_\_\_ /s/ *Leslie A. Berkoff*  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
(516) 873-2000



-and-

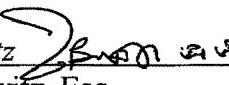
NEUBERT, PEPE & MONTEITH, P.C.  
Attorneys for the Chapter 11 Trustee

By: \_\_\_\_\_ /s/ *Mark I Fishman*  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
(203) 821-2000



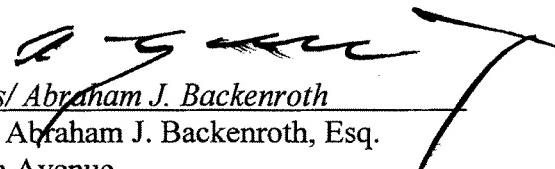
-and-

FARRELL FRITZ, P.C.  
Attorneys for the Unsecured Creditors' Committee

By: /s/ Ted A. Berkowitz   
Ted A. Berkowitz, Esq.  
1320 Reckson Plaza  
Uniondale, NY 11556-1320  
(516) 227-0647

-and-

BACKENROTH, FRANKEL & KRINSKY, LLP  
Attorneys for the Substitute Receiver

By: /s/ Abraham J. Backenroth   
Abraham J. Backenroth, Esq.  
489 Fifth Avenue  
New York, NY 10017  
Tel: 212-593-1100

STIPULATION AND ORDER MODIFYING AND EXTENDING THE TERMS OF THE FINAL ORDER  
AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL  
ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

**RECEIVED & FILED**

SEP 8 2009

OFFICE OF THE BANKRUPTCY CLERK  
ALBANY, NY

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# **EXHIBIT A**

Hughgate LLC Management LLC	Projected Balance				
Projected Cash Flows	09/04/09	09/11/09	09/18/09	09/25/09	August Totals
<b>Beginning Cash Book Balance</b>	10,205	411,494	260,469	32,452	10,205
<b>Collections</b>					
General Deposits	195,000	178,000	152,000	126,000	651,000
Medicaid Deposits	785,871	405,268	501,496	365,029	2,057,664
Medicare Deposits	-	-	-	310,000	310,000
<b>Total Collections</b>	980,871	583,268	653,496	801,029	3,018,664
<b>Cash Available for Disbursements</b>	991,076	994,762	913,966	833,480	3,733,284
<b>Disbursements</b>					
General Disbursements	110,000	160,000	110,000	100,000	480,000
Pharmacy	-	-	150,627	-	150,627
Net Payroll	318,000	318,000	360,000	318,000	1,314,000
Payroll Taxes	122,000	122,000	149,000	122,000	515,000
401(k) Funding	4,582	4,293	4,339	4,355	17,569
Other Employee Benefits	-	-	-	148,000	148,000
Worker's Compensation Premiums	-	-	-	63,495	63,495
Insurance Premiums	-	-	35,260	-	35,260
UST Fee	-	-	-	10,400	10,400
Receiver Fee	-	-	-	-	-
Bank Line Interest/Bank Fees	-	-	-	-	-
Utilities	25,000	-	67,396	-	92,396
Physicians	-	25,000	-	35,000	60,000
Loan/Lease	-	-	4,893	-	4,893
NY Sales Taxes	-	-	-	-	-
Real Estate Taxes	-	-	-	-	-
Professional/Receiver	-	-	-	-	-
Professional/Trustee	-	-	-	15,000	15,000
Professional/Committee	-	-	-	15,000	15,000
Ombudsman	-	-	-	15,000	15,000
Cash receipts assessment	-	105,000	-	-	105,000
<b>Total Disbursements</b>	579,582	734,293	881,514	846,251	3,041,640
<b>Ending Cash Balance</b>	411,494	260,469	32,452	(12,770)	691,644
<b>Monthly Net Cash</b>	401,289	(151,025)	(228,018)	(45,222)	(22,975)

Highgate LTC Management LLC Projected Cash Flows		Projected Balance 10/02/09	Projected Balance 10/09/09	Projected Balance 10/16/09	Projected Balance 10/23/09	Projected Balance 10/30/09	Projected October Totals
Beginning Cash Book Balance	1,425	(98,157)	(56,450)	(134,941)	78,808	1,425	
Collections							
General Deposits	215,000	281,000	246,000	238,000	147,000	1,127,000	
Medicaid Deposits	265,000	505,000	485,000	481,000	262,000	1,998,000	
Medicare Deposits	-	-	-	311,000	-	311,000	
<b>Total Collections</b>	<b>480,000</b>	<b>786,000</b>	<b>731,000</b>	<b>1,030,000</b>	<b>409,000</b>	<b>3,436,000</b>	
Cash Available for Disbursements	481,425	687,843	674,550	895,059	487,808	3,226,685	
Disbursements							
General Disbursements	110,000	150,000	105,000	85,000	80,000	530,000	
Pharmacy	-	-	145,000	-	-	145,000	
Net Payroll	318,000	318,000	318,000	318,000	318,000	1,590,000	
Payroll Taxes	122,000	122,000	122,000	122,000	122,000	610,000	
401(k) Funding	4,582	4,293	4,339	4,355	-	17,569	
Other Employee Benefits	-	-	-	148,000	-	148,000	
Worker's Compensation Premiums	-	-	-	63,495	-	63,495	
Insurance Premiums	-	-	-	35,260	-	35,260	
UST Fee	-	-	-	-	10,400	10,400	
Receiver Fee	-	-	-	-	-	-	
Bank Line Interest/Bank Fees	-	-	-	-	-	-	
Utilities	25,000	-	75,000	-	35,000	100,000	
Physicians	-	25,000	-	4,893	-	60,000	
Loan/Lease	-	-	-	-	-	4,893	
NY Sales Taxes	-	-	-	-	-	-	
Real Estate Taxes	-	-	-	-	-	-	
Professional/Receiver	-	-	-	-	-	-	

Professional/Trustee	-	-	-	15,000
Professional/Committee	-	-	-	15,000
Prior Professional	-	-	-	-
Cash receipts assessment	-	-	-	-
<b>Total Disbursements</b>	<b>579,582</b>	<b>744,293</b>	<b>809,491</b>	<b>816,251</b>
<b>Ending Cash Balance</b>	<b>(98,157)</b>	<b>(56,450)</b>	<b>(134,941)</b>	<b>78,808</b>
<b>Monthly Net Cash</b>	<b>(99,582)</b>	<b>41,707</b>	<b>(78,491)</b>	<b>213,749</b>
				(111,000)
				(33,617)

<b>Highbgate LTC Management LLC Projected Cash Flows</b>	<b>Projected Balance</b>	<b>Projected Balance</b>	<b>Projected Balance</b>	<b>Projected Balance</b>
	11/06/09	11/13/09	11/20/09	11/27/09
<b>Beginning Cash Book Balance</b>	<b>3,360</b>	<b>47,778</b>	<b>1,485</b>	<b>(151,006)</b>
<b>Collections</b>				<b>3,360</b>
General Deposits	219,000	198,000	164,000	156,000
Medicaid Deposits	410,000	500,000	485,000	475,000
Medicare Deposits	-	-	-	325,000
<b>Total Collections</b>	<b>629,000</b>	<b>698,000</b>	<b>649,000</b>	<b>956,000</b>
<b>Cash Available for Disbursements</b>	<b>632,360</b>	<b>745,778</b>	<b>650,485</b>	<b>804,994</b>
<b>Disbursements</b>				<b>Projected</b>
General Disbursements	115,000	155,000	107,000	<b>85,000</b>
Pharmacy	-	-	145,000	-
Net Payroll	318,000	318,000	318,000	1,272,000
Payroll Taxes	122,000	122,000	122,000	488,000
401(k) Funding	4,582	4,293	4,339	4,355
Other Employee Benefits	-	-	-	148,000
Worker's Compensation Premiums	-	-	-	63,495
Insurance Premiums	-	-	-	35,260
UST Fee	-	-	-	10,400
Receiver Fee	-	-	-	-
Bank Line Interest/Bank Fees	-	-	-	-
Utilities	25,000	-	65,000	-
Physicians	-	25,000	-	35,000
Loan/Lease	-	-	4,893	-
NY Sales Taxes	-	-	-	60,000
Real Estate Taxes	-	-	-	4,893
Professional/Receiver	-	-	-	-

Professional/Trustee	-	-	-	15,000	15,000
Professional/Committee	-	-	-	15,000	15,000
Prior Professional	-	-	-	-	-
Cash receipts assessment	-	120,000	-	-	120,000
<b>Total Disbursements</b>	<b>584,582</b>	<b>744,293</b>	<b>801,491</b>	<b>816,251</b>	<b>2,946,617</b>
<b>Ending Cash Balance</b>	<b>47,778</b>	<b>1,485</b>	<b>(151,006)</b>	<b>(11,257)</b>	<b>(113,000)</b>
<b>Monthly Net Cash</b>	<b>44,418</b>	<b>(46,293)</b>	<b>(152,491)</b>	<b>139,749</b>	<b>(14,617)</b>

**RECEIVED & FILED**

**RECEIVED**

NOV 18 2009

So ordered this 16 day of November 2009

NOV 18 2009  
OFFICE OF THE BANKRUPTCY CLERK  
OFFICE OF THE BANKRUPTCY JUDGE ALBANY, NY  
ALBANY, NY

Hon. Robert E. Littlefield, Jr.  
Chief, U.S.B.J.

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF NEW YORK

-----X

Chapter 11

In re:

HIGHGATE LTC MANAGEMENT, LLC *et al.*

Debtors.

-----X

**STIPULATION AND ORDER MODIFYING AND EXTENDING  
THE TERMS OF THE FINAL ORDER AUTHORIZING THE DEBTORS  
TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL ON  
A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES**

WHEREAS, on May 14, 2007 this Court entered a Final Order Authorizing the Debtors to: (A) Borrow Money Pursuant to Sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), and 364(e) of the Bankruptcy Code; (B) Use Cash Collateral on a Consensual Basis; and (C) Granting Adequate Protection And Related Relief Pursuant to Sections 105, 361, and 363 of the Bankruptcy Code (the "Final Order"); and

WHEREAS, the Final Order also authorized Long Hill Alliance Company (the "Receiver"), to borrow money on behalf of the Debtors and use Cash Collateral, as more fully defined and described in the Final Order; and

WHEREAS, pursuant to the terms of the Order Appointing Substitute Receiver, signed by Justice Hummel of the Supreme Court of the State of New York, Rensselaer County, dated

November 3, 2008 (the "Order Appointing Substitute Receiver", the Receiver has been replaced by EF Consulting, LLC (the "Substitute Receiver") effective as of the date of said Order; and

WHEREAS, pursuant to six prior Stipulations and Order of this Court dated November 19, 2008, December 24, 2008, January 22, 2009, March 2, 2009, April 29, 2009, June 24, 2009 and September 9, 2009, the Substitute Receiver was authorized to utilize the Cash Collateral of the Debtors and seek approval of a Budget which would be implemented pursuant to the terms of the Final Order, as amended (collectively, the "Prior Stipulations"); and

WHEREAS, GECC is willing to allow the Substitute Receiver the continued right to use Cash Collateral on the terms and conditions set forth in the Final Order, except as other modified herein or in the Substitute Receiver Order or in the Prior Stipulations; it is now

NOW THEREFORE,

IT IS HEREBY STIPULATED AND AGREED, by the parties hereto, through their undersigned counsel as follows:

1. The Termination Date for the right to utilize Cash Collateral as used in the Final Order hereby is modified to read January 13, 2010.
2. The defined term Receiver as utilized in the Final Order shall as of the date hereof, shall apply to the term Substitute Receiver in all places, except, so that it is clear, the Substitute Receiver has no right to borrow funds under the Shortfall Agreement, the same having been terminated upon entry of the Substitute Receiver Order and thus all references to the right to borrow funds, or utilize the Shortfall Agreement are of no force and effect as relates to the Substitute Receiver. All priorities, liens, rights and remedies, including the DIP Liens, Super-priority Claims and Replacement Liens in the Final Order shall remain unmodified.

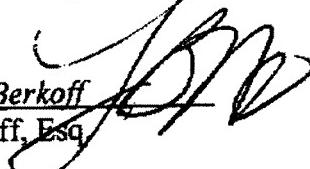
3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for January 13, 2010 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: Garden City, New York  
November, 2009

MORITT HOCK HAMROFF & HOROWITZ LLP  
Attorneys for General Electric Capital Corporation

By: /s/ Leslie A. Berkoff   
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
(516) 873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.  
Attorneys for the Chapter 11 Trustee

By: /s/ Mark I Fishman  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
(203) 821-2000

-and-

3. The Budget attached as *Exhibit C* to the Final Order is hereby replaced by the Budget attached hereto as *Exhibit A*. The Budget may be amended at the request of the Substitute Receiver, upon the written consent of GECC, on notice to the US Trustee, the Trustee and the Unsecured Creditors Committee.

4. All of the other terms and conditions of the Final Order (as modified or extended pursuant to Stipulations entered into after the date of the Final Order) and the agreements referred to therein remain in full force and effect. Capitalized terms not defined herein shall have the meaning given to them in the Final Order.

5. A hearing shall be scheduled for January 13, 2010 at 11:00 a.m. consistent with paragraph 1 hereof.

Dated: Garden City, New York  
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MORITT HOCK HAMROFF & HOROWITZ LLP  
Attorneys for General Electric Capital Corporation

By: /s/ Leslie A. Berkoff  
Leslie A. Berkoff, Esq.  
400 Garden City Plaza  
Garden City, NY 11530  
(516) 873-2000

-and-

NEUBERT, PEPE & MONTEITH, P.C.  
Attorneys for the Chapter 11 Trustee

By: /s/ Mark I. Fishman  
Mark I. Fishman, Esq.  
195 Church Street  
New Haven, CT 06510  
(203) 821-2000

-and-

FARRELL FRITZ, P.C.  
Attorneys for the Unsecured Creditors' Committee

By: /s/ Ted A. Berkowitz

Ted A. Berkowitz, Esq.

1320 Reckson Plaza  
Uniondale, NY 11556-1320  
(516) 227-0647

-and-

TENTZER AND LUNIN LLP  
Attorneys for the Substitute Receiver

By: /s/ Richard J. Brum

Richard J. Brum, Esq.

1775 Broadway, Suite 608  
New York, NY 10019  
Tel: (212) 262-6699

STIPULATION AND ORDER MODIFYING AND EXTENDING THE TERMS OF THE FINAL ORDER  
AUTHORIZING THE DEBTORS TO: (A) BORROW MONEY AND (B) USE CASH COLLATERAL  
ON A CONSENSUAL BASIS AND CERTAIN RELATED DEADLINES

<b>Highgate LTC Management LLC Projected Cash Flows</b>	<b>Projected Balance w/e Friday</b>	<b>Projected Balance 12/04/09</b>	<b>Projected Balance 12/11/09</b>	<b>Projected Balance 12/18/09</b>	<b>Projected Balance 12/25/09</b>
<b>Beginning Cash Book Balance</b>		(49,546)	(29,128)	96,579	(47,539)
<b>Collections</b>					
General Deposits		190,000	190,000	190,000	190,000
Medicaid Deposits		425,000	530,000	511,000	500,000
Medicare Deposits					400,000
<b>Total Collections</b>		615,000	720,000	701,000	1,090,000
<b>Cash Available for Disbursements</b>		565,454	690,872	797,579	1,042,461
<b>Disbursements</b>					<b>Projected</b>
General Disbursements		125,000	125,000	135,000	115,000
Pharmacy		-	-	150,627	80,000
Net Payroll		318,000	318,000	318,000	318,000
Payroll Taxes		122,000	122,000	122,000	122,000
401(k) Funding		4,582	4,293	4,339	4,355
Other Employee Benefits		-	-	-	148,000
Worker's Compensation Premiums		-	-	-	63,495
Insurance Premiums		-	-	35,260	-
UST Fee		-	-	-	10,400
Receiver Fee		-	-	-	-
Bank Line Interest/Bank Fees		-	-	-	-
Utilities		25,000	-	75,000	-
Physicians		-	25,000	-	35,000
Loan/Lease		-	-	4,893	-
NY Sales Taxes		-	-	-	-
Real Estate Taxes		-	-	-	-
Professional/Receiver		-	-	-	-
Professional/Trustee		-	-	-	15,000
Professional/Committee		-	-	-	15,000
Prior Professional		-	-	-	-
Cash receipts assessment					140,000
<b>Total Disbursements</b>		594,582	594,293	845,118	1,066,251
<b>Ending Cash Balance</b>		(29,128)	96,579	(47,539)	(23,790)
<b>Monthly Net Cash</b>		20,418	125,707	(144,118)	23,749

December  
Totals

- (49,546)

- 760,000

- 1,966,000

- 400,000

- 3,126,000

- 3,076,454

- 500,000

- 230,627

- 1,272,000

- 488,000

- 17,569

- 148,000

- 63,495

- 35,260

- 10,400

- 100,000

- 60,000

- 4,893

- 15,000

- 15,000

- 140,000

- 3,100,244

- (23,790)

- 25,756

Highgate LTC Management LLC Projected Cash Flows w/e Friday	Projected Bal	Projected Bal	Projected Bal	Projected Bal
	01/01/10	01/08/10	01/15/10	01/22/10
Beginning Cash Book Balance	(13,790)	(59,372)	45,335	(34,156)
Collections				
General Deposits	190,000	190,000	190,000	190,000
Medicaid Deposits	375,000	500,000	525,000	485,000
Medicare Deposits				425,000
Total Collections	565,000	690,000	715,000	1,100,000
Cash Available for Disbursements	551,210	630,628	760,335	1,065,844
Disbursements				Projected
General Disbursements	110,000	85,000	75,000	65,000
Pharmacy	-	-	150,000	
Net Payroll	340,000	340,000	318,000	318,000
Payroll Taxes	131,000	131,000	122,000	122,000
401(k) Funding	4,582	4,293	4,339	4,355
Other Employee Benefits	-	-	-	148,000
Worker's Compensation Premiums	-	-	-	63,495
Insurance Premiums	-	-	35,260	-
UST Fee	-	-	-	10,400
Receiver Fee	-	-	-	-
Bank Line Interest/Bank Fees	-	-	-	-
Utilities	25,000	-	85,000	-
Physicians	-	25,000	-	35,000
Loan/Lease	-	-	4,893	-
NY Sales Taxes	-	-	-	-
Real Estate Taxes	-	-	-	-
Professional/Receiver	-	-	-	-
Professional/Trustee	-	-	-	15,000
Professional/Committee	-	-	-	5,000
Prior Professional	-	-	-	-
Cash receipts assessment				143,000
Total Disbursements	610,582	585,293	794,491	929,251
Ending Cash Balance	(59,372)	45,335	(34,156)	136,593
Monthly Net Cash	(45,582)	104,707	(79,491)	170,749

ice              January Totals

01/29/10

136,593              (13,790)

80,000              840,000  
350,000              2,235,000  
                        425,000  
430,000              3,500,000

566,593              3,486,210

85,000              420,000  
100,000              250,000  
318,000              1,634,000  
122,000              628,000  
4,300                21,869  
                        148,000  
                        63,495  
                        35,260  
                        10,400

-  
-  
-  
110,000  
60,000  
4,893

-  
-  
-  
15,000  
5,000

629,300              143,000  
                        3,548,917

(62,707)              (62,707)

(199,300)              (48,917)